

MARKET ANALYSIS - October 02, 2003

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The nearby soybean futures stepped up again with prices threatening to touch the \$7.00 mark. While we should see some harvest pressure starting to hit the nearby contract the poor yields have crop estimates dropping and cold weather continues to be a huge concern. The monthly crop report will be seen next Friday morning – anticipation for this report has already set in. Will we see \$7 beans anytime soon? – a distinct possibility – with export sales looking good on Thursday (much more than traders were expecting) we are in a great position to hit that magic number. Soybean sales totaled almost 26 million bushels, with another 2.2 million bushels for year 04/05. The major buyers included Mexico, China, Japan and Indonesia. Hedgers in the bean market should have their best assessment of the crop production and should get caught up with protection soon. Buy puts to cover expected crop size and if you fall short – extra revenue may be likely if we see the \$7 mark hit. Corn on the other hand continues to be in a true sideways market – and prices have remained virtually unchanged across the board. Yield results point to a good harvest (a negative price item) but spillover support continues from the bean pit. The September 1 quarterly stocks number came out midweek at 1.086 billion bushels – versus a guess of 1.02 billion –, which combined with, yield pressures – is keeping supply side pressure at the forefront. Corn sales totaled 36.1 million bushels, down a third from the previous week, but more than many analysts had forecast. Major increases were recorded for Colombia, Jordan, Mexico, Taiwan, Egypt and Japan. Wheat saw some positive demand news last week and combined with some technical buying prices started the week about 12 cents higher at all three exchanges. Better rains in Australia dampened this reversal of fortunes but the world situation remains tight – so prices can’t head that far south. Wheat sales also exceeded expectations with sales totaling 28 million bushels with large increases to Egypt, Italy and Algeria amongst others. In other news – both the senate and house are in talks over the ethanol issue – there is little disagreement over the proposal - already given a tentative yes by both the senate and the house that would require refiners to double ethanol use in gasoline to 5 billion barrels annually – which is likely to be a huge boost to farmers.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH(Dec03)	NEW(Dec03)	CASH(Nov03)	NEW(Nov03)	CASH(Dec03)	NEW(Jul04)
Western MD	+53	N/A	-57	N/A	-34	N/A
Central MD	+22	Even	-69	-47	-34	-6
Southern MD	-5	-5	-30	-30	N/A	-30
Upper E. S	-2	-2	-30	-30	N/A	-30
Lower E. S	-2	-2	-18	-18	-48	-26

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS

The week after Hurricane Isabel was spent surveying crop damage and repairing damaged farm buildings. Air temperatures cooled slightly to the 70's for highs and the 60's for lows. Rain in the early part of the week resulted in 3.9 **days suitable for field work** for the week ending September 28, 2003. **Corn silage** harvest increased 20 percent to 58 percent, well behind last year and the five-year average. **Corn** for grain harvest increased last week with 20 percent harvested, 43 percent behind last year and 20 percent behind the five-year average. Lodging in corn is very prevalent in many counties which may result in a slower harvest pace. Some yield losses are anticipated, but large losses are not expected. Many **soybean** fields are turning color and starting to drop their leaves. Harvest is at least three to four weeks away. **Sorghum** fields are turning color fast and over 25 percent are mature. Sorghum harvest should begin in the next week or two. Small grains are starting to be seeded, specifically **barley** and **rye**. **Tobacco** harvest is making good progress with 80 percent harvested. Farmers are on their fourth cutting of **alfalfa** and **other hay**.

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	9/24	10/01	9/24	10/01	9/24	10/01	9/24	10/01
Western Md	2.83	2.73	5.89	6.30	3.20	3.30	2.20	2.20
Central MD	2.60	2.42	5.96	6.18	3.22	3.30	2.00	1.98
Southern MD	2.19	2.15	6.23	6.57	----	----	1.50	----
Upper E. Shore	2.19	2.18	6.23	6.57	----	----	1.60	----
Lower E. Shore	2.24	2.18	6.32	6.69	----	3.16	1.60	----
Soybean Meal Lower Eastern Shore Dealer's Average Cash Quotes (\$/ton)								
Date	9/24	10/01	Date		9/24		10/01	
48% Soybean Meal	239.00	230.00	44% Soybean Meal		277.00		224.00	
FORWARD CONTRACT PRICE-REGIONAL (\$/bu) For Harvest delivery Dealer's Avg Quote								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	9/24	10/01	9/24	10/01	9/24		9/24 9/24	10/01
Western Md	----	----	----	----	----	----	----	----
Central MD	2.60	2.20	5.96	6.40	3.13	3.36	----	1.95
Southern MD	2.19	2.15	6.23	6.57	----	3.12	----	----
Upper E Shore	2.19	2.18	6.23	6.57	----	3.12	----	----
Lower E Shore	2.24	2.18	6.32	6.69	----	3.16	----	1.55
GRAIN FUTURES - Chicago Board of Trade (cents/bu) -Oct 02, 2003								
Corn		Soybeans		Wheat		Soybean Meal ¹		
Dec	220.25	Nov	687.25	Dec	364.25	Oct	201.40	
Mr04	228.50	Ja04	690.00	Mr04	374.25	Dec	202.60	
May	233.50	Mar	684.25	May	370.25	Ja04	203.10	
Jul	237.00	May	663.75	Jul	342.50	Mar	201.60	
Sept	235.50	Jul	656.50	Dec	353.50	May	197.30	
Dec	236.25	Aug	641.50			Jul	195.70	

¹ \$/ton

HAY AND STRAW (\$/cwt)												
New Holland, PA - \$/ton - Sept 29, 2003 - 92 Loads												
Alfalfa 105.00-135.00		Mixed 45.00-250.00		Timothy 55.00-200.00		Orchardgrass 95.00-180.00		Straw 70.00-162.00		Ear Corn 77.00-87.00		
Westminster, MD - \$/bale - Oct 02, 2003 - 126 Lots												
Alfalfa 2.20-3.20		Alfalfa Mixed 2.70-4.00		Timothy 2.10-5.10		Timoty Mixed 1.30-3.60		Grass 1.15-3.90		Straw 1.50-2.90	Mulch .50-.80	
POULTRY (Grade A) - Week Ending Oct 04, 2003 - Negotiated Price, (\$/cwt)												
			Week Ago			Month Ago			Year Ago			
NY Wtd Avg. (Fryers)		58.95		61.68		57.64		49.55				
12-City Composite		63.23		64.59		63.31		54.83				
LAMBS - Westminster, MD - \$/cwt - Sept 30, 2003												
Ch-Pr	100-120 lbs	90.00-100.00		Good	80-100 lbs	85.00-95.00		Sheep 17 hd		40.00-60.00		
	80-100 lbs	95.00-110.00										
	60- 80 lbs	100.00-112.00										
TERMINAL MARKETS HOGS - Oct 03, 2003					DIRECT MARKET HOGS - Westminster, MD-Oct 01, 2003							
Base Price Range (\$/cwt)		Carcass Basis		Sows (1-3)		#1 & 2		220-270 lbs		40.00-42.00		
a.m.		Base 185 lb Hog		300-449 lbs		#1 & 3		220-270 lbs		36.00-38.00		
Eastern Cornbelt		46.00-53.89		N/A				280-300 lbs		32.00-36.50		
Iowa, Minn		46.00-53.75		15.13-33.48		Millsboro, DE Market Hogs - (\$/cwt) - Next Sale Oct 07, 2003						
FEEDER PIGS - (\$/cwt) -												
Gumboro, DE -					New Holland, PA -							
Head:		Trend:			Trend: Effective Immediately							
		Next Sale Oct 21, 2003			All pigs are mandated to go to slaughter. No feeders will be reported until further notice.							
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Oct 01, 2003					HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Oct 01, 2003							
Oct	88.90	Apr	79.60		Oct	55.77	Apr	58.77				
Dec	85.65				Dec	54.92	May	61.70				
Fb04	82.95				Fb04	57.37	Jun	64.50				
STOCKER-FEEDER CATTLE - (\$/cwt)												
Winchester, VA - Sept 30, 2003					Westminster, MD - Sept 30, 2003							
Steers	300- 400 lbs	94.00-105.00		Steers	200-400 lbs	87.00- 93.00						
	340- 500 lbs	92.00-106.00			400-500 lbs	83.00- 96.00						
	500- 600 lbs	89.00-106.50			500-700 lbs	77.00- 86.00						
	600- 700 lbs	88.00- 97.00			Hols 700-950 lbs	62.00- 70.00						
	700- 800 lbs	84.50- 91.00			Heifers	300-500 lbs	79.00- 94.00					
	800- 900 lbs	80.00- 86.00				500-700 lbs	77.00- 90.00					
	300- 400 lbs	80.00- 94.50				700-800 lbs	64.00- 77.00					
	Heifers	400- 500 lbs	80.00- 90.50		Hols Bulls returning to farm							
		500- 600 lbs	79.00- 92.50			#1	90-120 lbs	145.00-180.00				
		600- 700 lbs	76.50- 86.00				82- 88 lbs	85.00-115.00				
		700- 800 lbs	79.00- 84.00			#2	90-120 lbs	90.00-140.00				
						Hols Heifers	#1	90-100 lbs	500.00-570.00			
				#2	80-110 lbs		300.00-395.00					
Lancaster, New Holland & Vintage - Week Ending - Oct 04, 2003												
Bull, Holstein		90-125 lbs	120.00-188.00		Plainer	90-125 lbs	100.00-200.00					
Heifers, Hols	90-125 lbs	400.00-600.00		Plainer	90-125 lbs	200.00-400.00						
SLAUGHTER CATTLE (\$/cwt)												
Westminster, MD - Oct 02, 2003												
Fed Steers	H-Ch 2-4	1100-1300 lbs	90.00-93.50		Fed Heifers	H-Ch-Pr	1100-1300 lbs	90.00-95.50				
	Ch 2-3	1200-1400 lbs	88.00-91.50			H-Ch	1000-1150 lbs	85.00-89.00				
	Ch 1-3	1000-1150 lbs	75.00-81.00			L-Ch		79.00-85.00				
	H-Ch Hols		74.00-78.00			Select		73.00-79.00				
	L-Ch Hols		67.00-73.00			Calves						
	Cows	Breakers		42.00-46.75		L-Ch	225- 300 lbs	85.00-90.00				
		Boners		37.00-42.00		Good	100- 120 lbs	55.00-67.00				
		Lean		33.00-37.00			80- 100 lbs	50.00-65.00				
		Thin & Light		33.00-DOWN								
		Lancaster, New Holland & Vintage - Week Ending - Oct 04, 2003										
		Steers, Choice, 2-3		1155-1440 lbs		93.00- 96.10	Steady					
	Heifers, Choice		1015-1365 lbs	89.00- 92.75		Steady						
Cows, Breakers 75-80 pct lean			42.75- 47.00	\$1 - \$3 lower early; \$1 - \$3 higher late								
Bulls, YG 1		1100-1950 lbs	46.50- 55.50	\$1 - \$6 lower								
Vealers, Standard & Good		60- 125 lbs	60.00- 87.00	Steady to \$10 higher								

For more information about this report, call 410-841-5740 or write:

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